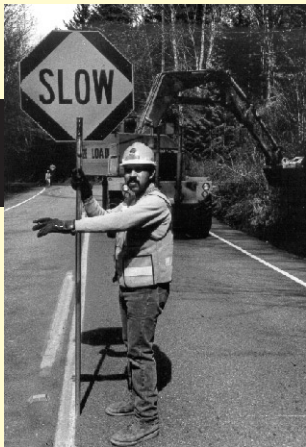


## Phase 2 Local government

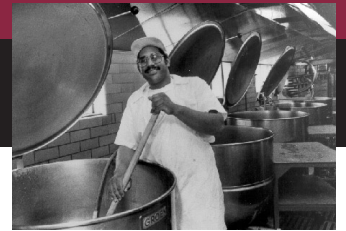


# PERS Plan 3 Transfer Decision News

Washington State  
Department of Retirement Systems

December 2002

Issue #4



## Have you made your decision?

You have an important decision ahead of you: to stay in Public Employees' Retirement System (PERS) Plan 2 or transfer to PERS Plan 3.

If you are remaining in PERS Plan 2, relax - there is no need to fill out any paperwork. Your retirement benefit will continue to be reported in PERS Plan 2.

If you haven't decided, the Department of Retirement Systems (DRS) provides many resources to help you make your decision.

### Resources

**Publications** The *PERS Journey to Retirement Transfer Decision Booklet* was mailed to your home in May. The *PERS Plan 3 Investment Education Booklet* is available from your employer or when you attend a PERS Plan 3 Investment education seminar.

**Seminars** Transfer and Investment seminars will be held throughout the state until the end of the transfer window. Find available dates, locations and online registration on the Web. Click on Transfer or Investment education, and then on seminars. We recommend you attend a seminar now to allow yourself time to consider the information you learn at the seminar.

**On the Web** The PERS Journey to Retirement Portal at <http://www.wa.gov/drs/member/pers/2or3> provides access to the Transfer Education, Investment Education and DRS Web sites.

**Phone and e-mail support** You can also call 888-711-8773 from 5:30 a.m. to 6 p.m., Monday through Friday to speak with a representative. If you call at other times, you can leave a message and a representative will return your call on the following business day. If you prefer, you can e-mail your questions or requests to [pershelp@icmarc.org](mailto:pershelp@icmarc.org). You will receive a response within one business day.

### Am I eligible to transfer?

You must be an "active" PERS Plan 2 member to transfer. If you are retired, or if you have separated from eligible service you are not considered an "active" member.

Also, you must have earned service credit in June 2002 or February 2003 to be eligible to receive the transfer payment.

If you did not earn service credit in June 2002 because you were on an authorized leave of absence, or you are planning an authorized leave of absence in February 2003 (including, but not limited to, military service and

*Transfer continued on page 2*

### Phase 2 Transfer Window

September 1, 2002, through May 31, 2003

For PERS Plan 2 members who work for local government, including but not limited to: cities, counties, fire protection districts, water districts, library districts, health districts and public utility districts.

### Videos available on the Web

Both the Transfer and Investment Education Videos are available online. Simply visit the PERS Journey to Retirement Portal at <http://www.wa.gov/drs/member/pers/2or3> and follow the links.

# PERS transfer information

## PERS Plan 3 payment time line

If you transfer to PERS Plan 3 and are eligible for the transfer payment and retroactive gain sharing, these payments will be applied to your defined contribution account in June 2003.

Future gain sharing payments, if any, will be applied to your defined contribution account in January of even-numbered years. Ongoing gain sharing payments will be based on market performance and the number of service credit years you have by August 31 of the year before the distribution.

## How much is my transfer payment?

For local government employees, the transfer payment is equal to 111 percent of your employee contributions and interest in your account as of March 1, 2002.

Your March 1, 2002 balance was provided in the *Transfer Information Letter* sent to you in May 2002. The transfer payment is not calculated from your balance at the time of transfer.

The transfer payment is provided because the defined benefit under PERS Plan 3 is approximately one half of that under PERS Plan 2.

Example:

Gary had \$10,000 in member contributions and interest in his account on March 1, 2002.

He earned service credit in June 2002 and in October 2002 he transferred to PERS Plan 3.

Gary's transfer payment is calculated using his March 1, 2002 account balance.

$$\begin{array}{rcl} \$10,000 \times 111\% & = & \$11,100 \\ & & \text{transfer} \\ & & \text{payment} \end{array}$$

\$11,100 will be added to Gary's account in June 2003 for a total of **\$21,100** in his PERS Plan 3 defined contribution account. Plus contributions and interest since March 1, 2002.

## Time frame for transfer payment and retroactive gain sharing payments

March 1, 2002

Date used to calculate your transfer payment based on your account balance.

September 1, 2002

Phase 2 transfer window begins.

May 31, 2003

Phase 2 transfer window closes.

June 2003

Transfer payment and retroactive gain sharing payments are applied to your account.

## Retirement decision may affect PEBB benefits

Some Phase 2 employers offer Public Employees Benefits Board (PEBB) health care coverage. If your employer offers continuing health care coverage through PEBB then you may be qualified for health care coverage when you retire.

PERS Plan 2 and PERS Plan 3 retirees who wish to continue PEBB coverage can qualify by:

- immediately receiving a retirement benefit, and
- making their health care coverage election within 60 days of retirement.

PERS Plan 3 members can also qualify for health insurance coverage even if they delay receiving their retirement benefit. To qualify for this, members must:

- be at least age 55, and
- have accumulated at least 10 years of service credit, and
- must make their health care coverage election and begin self-paying the premiums within 60 days of separating from employment.

To find out if you are qualified for PEBB benefits, contact your employer. You can also contact

the Health Care Authority at 800-700-1555, or their Web site at <http://www.wa.gov/hca/pebb.htm>.

### *Transfer* (from front page)

temporary duty disability) you may be eligible to buy service credit for June 2002 or February 2003, and qualify for the transfer payment.

Please refer to the *Plan 2 or Plan 3 Recovery of Withdrawn or Optional Service Credit* brochure(s) available on the DRS Web site or call DRS for more information. See page 4 for Web address and contact information.

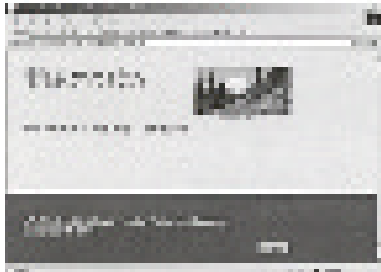
# How to transfer to PERS Plan 3

## ☐ Review educational materials.

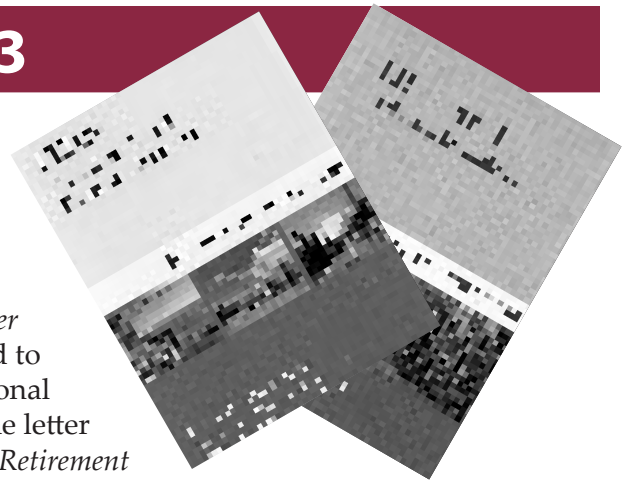
See page 1 for a list of educational resources available to you. See page 4 for contact information.

## ☐ Use the financial modeling software.

You can compare your projected benefits for both plans based on your personal situation. Please reference the *Transfer*



*Information Letter* that was mailed to your home in May for your personal data to use with the software. The letter was mailed with your *Journey to Retirement Transfer Decision Booklet*. The software can be downloaded or used interactively at [www.wa.gov/DRS/member/pers/2or3](http://www.wa.gov/DRS/member/pers/2or3). If you do not have access to a computer, you can call the phone support center at 888-711-8773 and a customer service representative can create projections for you.



## ☐ Complete the **Member Information Form** and return it to your employer.

On the form, you must:

- **Complete the transfer section.**

- **Decide on your contribution rate.**

Transferring members must select a rate at the time of transfer. Take care in choosing your contribution rate. Per Internal Revenue Service (IRS) rules, once you select a contribution rate you cannot change it unless you terminate employment, and begin employment with another PERS-covered employer.

- **Determine your investment program.**

Choose either the Washington State Investment Board (WSIB) Investment Program or the Self-Directed Investment Program. If you select the Self-Directed Investment Program, determine which funds you want to invest in, and notify ICMA-RC of that allocation. You can reach ICMA-RC at 888-711-8773 or go to the PERS Investment Education Web site at <http://www.icmarc.org/pers>. Refer to the *Plan 3 Investment Guide* for the available funds.

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Director ..... John F. Charles  
Editor ..... Rachel Jo Nesse

**PERS Plan 3 Phone support center and e-mail:**

1-888-711-8773

[pershelp@icmarc.org](mailto:pershelp@icmarc.org)

**Mailing address:**

Department of Retirement Systems  
P.O. Box 48380  
Olympia, WA 98504-8380

**DRS telephone numbers:**

Information ..... 1-800-547-6657

Local callers ..... 360-664-7000

TDD line ..... 360-586-5450

**DRS Internet address:**

[www.wa.gov/DRS/drs.htm](http://www.wa.gov/DRS/drs.htm)

**Member e-mail contact:**

[recep@drs.wa.gov](mailto:recep@drs.wa.gov)

If you did not receive previous editions of *PERS Plan 3 Transfer Decision News*, contact the editor at (360) 664-7934.

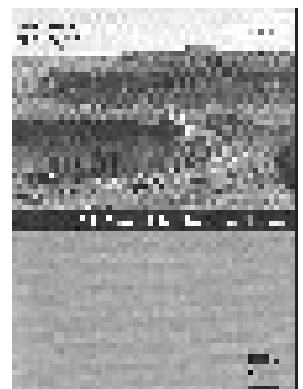
## After you transfer

### ☐ Submit the **Beneficiary Designation Form to DRS.**

It is recommended that you update your designation periodically. Forms are available in your *Journey to Retirement Transfer Decision Booklet*, or from your employer or online at: <http://www.wa.gov/drs/member/pers/2or3>.

### ☐ Read your **PERS Plan 3 Member Handbook.**

Available from your employer, or online at: <http://www.wa.gov/drs/member/pers/2or3>.



# Who can you call with transfer decision questions?

## Your decision

Your transfer decision is a personal choice that only you can make. Another person's decision may not be the right decision for you. Study the resources available, attend a transfer education seminar, use the financial modeling software, call or e-mail the support center with your questions.

See the guide to the right to learn who to call with your PERS Plan 3 questions.

## Alternate formats

PERS Plan 3 materials are available in alternative formats, such as Braille, to system members. For more information, contact the editor at (360) 664-7934

**DRS**  
**(360) 664-7000 or**  
**800-547-6657**

Call this number if you have questions about your:

- Defined benefit
- Service credit
- Bill payments
- Beneficiary information
- Defined benefit related to PERS Plan 3 publications, such as PERS Plan 2 and 3 Member Handbooks, newsletters or brochures.
- *Transfer Information Letter*

**Phone Support Center  
and E-mail**  
**888-711-8773**  
**[pershelp@icmarc.org](mailto:pershelp@icmarc.org)**

Use this number for questions about your:

- Investment funds
- Investment education seminars
- Transfer decision seminars
- Financial Modeling Software
- Quarterly statements
- Plan 3 forms
- Defined contribution related to PERS Plan 3 publications/brochures
- Transferring money between Self-Directed funds
- Changing your Self-Directed allocation
- Transferring existing money from WSIB to Self-Directed or Self-Directed to WSIB
- Account balance
- Fund administration fees
- Status of withdrawal requests
- Tax withholding related to withdrawals

## PERS Journey to Retirement Portal:

**<http://www.wa.gov/drs/member/pers/2or3>**

The Transfer Education Web site, Investment Education Web site, and access to the DRS Web site are all available through the PERS Journey to Retirement Portal.

**4**

**Update your address  
with your employer**

**PERS Plan 3 Transfer Decision News**

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